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CENTRAL INTELLIGENCE GROUP

EXPLOITATION OF AMERICAN BUSINESS CONCERNS, NON-GOVERNMENTAL  
GROUPS AND INDIVIDUALS WITH CONNECTIONS ABROAD AS SOURCES OF  
FOREIGN INTELLIGENCE INFORMATION

Reference: C.I.G. Directive No. 12

Memorandum by the Director of Central Intelligence

1. A previous paper on this subject, C.I.G. 12, was submitted to the Intelligence Advisory Board for informal concurrence. The various members of the Intelligence Advisory Board subsequently suggested amendments or revisions.
2. The enclosed report has been revised in the light of the amendments or suggestions proposed by the Board.
3. It is therefore recommended that the Intelligence Advisory Board concur in the submittal of the enclosed revision of C.I.G. 12 for consideration by the National Intelligence Authority.

HOYT S. VANDENBERG  
Lieutenant General, USA  
Director of Central Intelligence

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26-Aug-2008

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ENCLOSURE

DRAFT

NATIONAL INTELLIGENCE AUTHORITY

EXPLOITATION OF AMERICAN BUSINESS CONCERNS, NON-  
GOVERNMENTAL GROUPS AND INDIVIDUALS WITH  
CONNECTIONS ABROAD AS SOURCES OF FOREIGN  
INTELLIGENCE INFORMATION

Report by the Director of Central Intelligence  
with the unanimous concurrence of the  
Intelligence Advisory Board.

1. By memorandum dated 10 April 1946, the Special Assistant to the Secretary of State in charge of Research and Intelligence suggested that the Director of Central Intelligence investigate the possibility of exploiting the potential sources of foreign intelligence information in the possession of and susceptible of being acquired by American business concerns and other non-governmental groups and individuals with connections abroad.

2. Since this matter falls within the responsibility of the Director of Central Intelligence for planning the coordination of the collection of foreign intelligence related to the national security, a survey of the subject was ordered and such survey has been made. Since foreign intelligence information is sought through appropriate contacts with American business concerns and other non-governmental groups and individuals with connections abroad, the collected information is definitely and distinctly foreign positive intelligence information required for the national security and thus is separate and distinct from (a) domestic intelligence information required for counter-intelligence and police purposes related to the internal security of the nation, and (b) foreign intelligence information required for purposes other than national security.

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3. The results of the survey are set forth in detail in the "Discussion" (Appendix "B"), on the basis of which the Director of Central Intelligence concludes that:

a. American business concerns, other non-governmental groups and individuals through their representatives and connections abroad, constitute a most valuable source for the collection of accurate, current foreign intelligence information on a wide range of subjects related to the national intelligence mission required for national security.

b. Only a beginning has been made in tapping this valuable source, and this beginning has been made without the coordination which is essential to avoid duplication of contacts by two or more agencies.

c. As indicated in b above, the current exploitation is totally inadequate but can be increased to the desired optimum through the central coordination of the parallel activities of authorized and competent collecting agencies.

d. The central coordinating authority should establish uniform procedures for: securing the cooperation of American business firms and other non-governmental groups; insuring the security of the cooperation accorded; and protecting the interests of the cooperating concerns and groups.

e. The activities in the field of the several collecting agencies should be coordinated, such field coordination to be accomplished in pursuance of directives as required issued by the Central authority to the heads of the participating agencies.

f. Existing contacts should be listed in a Central Contact Register, and before new contacts are approached by any of the several collecting agencies, clearance should be obtained from the central coordinating authority.

g. Any briefing of individuals should be performed by the central authority, and should be based upon specific

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requests and essential elements of information furnished by departmental agencies to the central authority. When required and available, technical specialists furnished by the participating agencies will conduct the briefing.

4. Based upon the foregoing conclusions and the antecedent study, the Director of Central Intelligence has formulated certain recommendations which are embodied in a draft N.I.A. Directive (Appendix "A").

5. The Director of the Federal Bureau of Investigation was a member of the Intelligence Advisory Board for consideration of this matter.

6. It is recommended that the draft N.I.A. Directive (Appendix "A") be approved.

HOYT S. VANDENBERG  
Lieutenant General, USA  
Director of Central Intelligence

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APPENDIX "A"

D R A F T

PROPOSED N.I.A. DIRECTIVE

INTERIM PROVISION FOR THE COORDINATION OF  
OF THE COLLECTION OF FOREIGN INTELLIGENCE  
INFORMATION THROUGH EXPLOITATION OF AMER-  
ICAN BUSINESS CONCERNS, NON-GOVERNMENTAL  
GROUPS AND INDIVIDUALS WITH CONNECTIONS ABROAD

1. Under the provisions of N.I.A. Directive No. 5, the Director of Central Intelligence is charged with acting for this Authority in coordinating all Federal foreign intelligence activities related to the national security to ensure that the over-all policies and objectives established by this Authority are properly implemented and executed. Under the responsibility laid upon the Director thereby, the coordination of the exploitation of all sources of foreign intelligence information required for the national security is necessary.

2. Pending the complete solution of the over-all problem of exploitation, current circumstances with regard to the particular source represented by American business concerns, other non-governmental groups and individuals with connections abroad require interim action.

3. The following policies and procedures relating to the collection of foreign intelligence information required for the national security, through exploitation of American business concerns, other non-governmental groups and individuals with connections abroad, are announced:

a. The Director of Central Intelligence will establish uniform procedures for:

(1) Securing the cooperation of American business concerns, other non-governmental groups and individuals with connections abroad in supplying such foreign

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intelligence information required for the national security as they possess, acquire, or can assist in obtaining.

(2) Insuring the security of the information procured and that the interests of those cooperating are not jeopardized.

b. The Director of Central Intelligence will establish and maintain, on a current basis, as a part of the Central Contact Register, a register of all existing and future business, group and individual contacts, from which clearance must be obtained by participating agencies before new contacts are approached.

c. The Director of Central Intelligence will establish standards for security clearance of contacts by participating agencies. Results of security checks will be furnished to the Director of Central Intelligence for incorporation in the central contact register to avoid duplication of effort.

d. The Director of Central Intelligence will coordinate the exploitation of this field on a nation-wide basis. Directives relating to this coordination will be issued by the Director of Central Intelligence to the heads of the intelligence agencies concerned. C.I.G. field representatives will establish and maintain liaison with the Intelligence Officers of local Army and Navy headquarters and Air Force headquarters, if present, through the medium of local inter-agency offices.

e. The Director of Central Intelligence will establish procedures for the dissemination of information collected by participating agencies in the field.

f. The Director of Central Intelligence will establish procedures for the procurement of information by one agency for another.

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g. Any briefing of private individuals going abroad, as to foreign intelligence information required for the national security, shall be performed only by representatives of the Central Intelligence Group. Departmental intelligence agencies will submit their requests for such information to the Central Intelligence Group. When required and available, technical specialists furnished by the requesting agency will participate in the briefing.

4. The State, War or Navy Departments will furnish to the Director of Central Intelligence such personnel and facilities as are necessary and available for the purposes set forth herein. All Federal departments and agencies will cooperate as necessary to implement and carry out the foregoing policies, procedures and such authorized directives as may be issued pursuant thereto.

5. This directive does not affect in any way authorized relationships of Federal departments and agencies with American business concerns, other non-governmental groups and individuals for purposes other than the procurement of foreign intelligence information required for the national security. The National Intelligence Authority recognizes the primary interest of the Federal Bureau of Investigation in Foreign Nationalities Groups in the United States in fulfilling its statutory responsibilities for the internal security of the country. In order to preclude disturbance of these Federal Bureau of Investigation sources, the Central Intelligence Group will be the only agency authorized to exploit Foreign Nationalities Groups for foreign positive intelligence and this only after consultation with the Federal Bureau of Investigation in each case.

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APPENDIX "B"

DISCUSSION

1. American business concerns, non-governmental groups and individuals with representatives and connections abroad, are extremely valuable sources of foreign intelligence information required for the national security, since--in the ordinary course of their normal operations--they gather foreign information in their respective fields from sources which are not open to any regular collecting agencies. However, exploitation of such sources is rendered difficult because of considerations of commercial, industrial and scientific secrets, patent rights, etc., and the danger of compromising their situations in foreign countries and areas. Such exploitation must be accomplished within the most stringent security controls and business concerns, non-governmental groups and individuals concerned must be assured that such stringent security controls are in continuous operation.

2. The normal government approach to this rich source has been haphazard and uncoordinated, with the result that some concerns have been closed to further approach. Continuation of this uncoordinated activity will inevitably and perhaps soon completely nullify this source. Only a centrally coordinated exploitation of this prime source can guard against and effectively prevent the haphazard approach which so adversely affects high-level contacts as to impair and ultimately destroy their interest and availability as sources of required foreign intelligence information.

3. At the present time, the Office of Naval Intelligence is contacting business concerns with foreign connections, principally to establish a Contact Register of potential sources of information, such sources to be exploited later; C.I.G. is about to embark upon a program of exploitation of business concerns, other groups and individuals with connections abroad; and

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the Intelligence Division, WDGS, is engaged in limited activity in this field and has a broad program of expansion under consideration. Obviously, the implementation of the responsibility for central coordination of collection assigned as a function of the Director of Central Intelligence by N.I.A. Directive No. 5 is an urgent requirement at this time, in order to avoid undesirable duplication and abuse of valuable contacts.

4. Experience in the past has shown conclusively that many American business concerns, other non-governmental groups and individuals with connections abroad are willing to cooperate with authorized government agencies provided:

a. The head of the firm is approached properly and his concurrence in the desired cooperation is secured;

b. The continuing contact is maintained by the same individuals over a long period;

c. The fact that the firm, group or individual concerned is making foreign intelligence information available to the government is not known outside of the minimum possible number of intelligence personnel; and

d. The trade and other secrets upon which the success of the firm is based are not divulged.

Only a central coordination of contacts can satisfy the requirements listed above.

5. Since many missions will have high priorities and will often be of considerable urgency, it is essential that the central coordinating authority arrange for effecting, throughout the United States, local liaison and coordination of effort which are parts of the central coordination.

6. In order to facilitate its coordination of the exploitation of the source concerned, the central coordinating authority should establish and maintain a Central Contact Register in which all existing contacts made and exploited, or to be exploited, should be entered. All prospective contacts must be

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cleared through this Central Register before approach to such contacts is made, in order to insure that approach to such contacts has not already been made. Only when clearance from the Central Register is obtained should the prospect be approached. Such clearance should include not only assurance that the prospect is open to approach, but also that it is secure as a source of foreign intelligence information required for the national security.

7. Departmental or National Essential Elements of Information will require, from time to time, that representatives of American business concerns or other non-governmental groups with foreign connections, who are about to proceed to foreign areas, be briefed on information which the government requires and which they can procure in the course of their travels and business dealings abroad. Such briefing should be a function of the central coordinating authority and exercised by that authority, assisted, when required and available, by specialists of whichever government agency may have originated the request for specific information. Such briefing of individuals should be held to a minimum and should be performed only when the individual to be briefed has been certified as a sure and secure person. Such briefing as is contemplated herein is an activity requiring special knowledge, training and personal attributes. Only the central coordinating authority will be in a position continuously to provide such specially qualified personnel. Assistance from departmental specialists, on special items of departmental interest, is desirable and necessary at times.

8. The type of intelligence information concerned herein is foreign intelligence information required for the national security, and is not concerned with domestic intelligence information required for counter-intelligence and police functions related to the internal security of the nation, or with foreign intelligence information required for purposes other than the

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national security. Foreign intelligence information related to the national security, although it may be collected from sources whose headquarters are within the limits of the United States and its possessions, is definitely a part of the national intelligence mission, the coordination of which is specifically a function of the National Intelligence Authority under the provisions of the President's letter of 22 January 1946.

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Appendix "B"